

SERFF Tracking Number:	EVST-125706514	State:	Arkansas
Filing Company:	Everest National Insurance Company	State Tracking Number:	EFT \$50
Company Tracking Number:	AR-CP-20024222		
TOI:	01.0 Property	Sub-TOI:	01.0001 Commercial Property (Fire and Allied Lines)
Product Name:	Commercial Property		
Project Name/Number:	Equipment Breakdown/CW-CP-20020757		

## Filing at a Glance

Company: Everest National Insurance Company

Product Name: Commercial Property

TOI: 01.0 Property

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Filing Type: Form

SERFF Tr Num: EVST-125706514

SERFF Status: Closed

Co Tr Num: AR-CP-20024222

Co Status:

Author: Vanessa King

Date Submitted: 06/25/2008

State: Arkansas

State Tr Num: EFT \$50

State Status: Fees verified and received

Reviewer(s): Betty Montesi, Llyweyia Rawlins

Disposition Date: 06/25/2008

Disposition Status: Approved

Effective Date (New): 08/01/2008

Effective Date (Renewal): 08/01/2008

Effective Date Requested (New): 08/01/2008

Effective Date Requested (Renewal): 08/01/2008

State Filing Description:

## General Information

Project Name: Equipment Breakdown

Project Number: CW-CP-20020757

Reference Organization:

Reference Title:

Filing Status Changed: 06/25/2008

State Status Changed: 06/25/2008

Corresponding Filing Tracking Number:

Filing Description:

We are submitting for approval a filing for Equipment Breakdown coverage.

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

## Company and Contact

### Filing Contact Information

SERFF Tracking Number: EVST-125706514 State: Arkansas  
Filing Company: Everest National Insurance Company State Tracking Number: EFT \$50  
Company Tracking Number: AR-CP-20024222  
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
Product Name: Commercial Property  
Project Name/Number: Equipment Breakdown/CW-CP-20020757

Vanessa King, Manager, Filing and Regulation vanessa.king@everestre.com  
P.O. Box 830 (908) 604-3267 [Phone]  
Liberty Corner, NJ 07938-0830 (908) 604-3546[FAX]

**Filing Company Information**

Everest National Insurance Company CoCode: 10120 State of Domicile: Delaware  
477 Martinsville Road Group Code: 1120 Company Type:  
P.O. Box 830  
Liberty Corner, NJ 07938-0830 Group Name: Everest Re Group, State ID Number:  
Ltd.  
(908) 604-3000 ext. [Phone] FEIN Number: 22-2660372  
-----

SERFF Tracking Number: EVST-125706514 State: Arkansas  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Everest National Insurance Company	\$50.00	06/25/2008	21085011

<i>SERFF Tracking Number:</i>	<i>EVST-125706514</i>	<i>State:</i>	<i>Arkansas</i>
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<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property</i>		
<i>Project Name/Number:</i>	<i>Equipment Breakdown/CW-CP-20020757</i>		

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Approved	Llyweyia Rawlins	06/25/2008	06/25/2008

<i>SERFF Tracking Number:</i>	<i>EVST-125706514</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Everest National Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>AR-CP-20024222</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property</i>		
<i>Project Name/Number:</i>	<i>Equipment Breakdown/CW-CP-20020757</i>		

## Disposition

Disposition Date: 06/25/2008

Effective Date (New): 08/01/2008

Effective Date (Renewal): 08/01/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	EVST-125706514	State:	Arkansas
Filing Company:	Everest National Insurance Company	State Tracking Number:	EFT \$50
Company Tracking Number:	AR-CP-20024222		
TOI:	01.0 Property	Sub-TOI:	01.0001 Commercial Property (Fire and Allied Lines)
Product Name:	Commercial Property		
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Explanatory Memorandum	Approved	Yes
Form	EQUIPMENT BREAKDOWN COVERAGE SCHEDULE	Approved	Yes
Form	EQUIPMENT BREAKDOWN COVERAGE	Approved	Yes

SERFF Tracking Number: EVST-125706514 State: Arkansas

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TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Property

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	EQUIPMENT BREAKDOWN COVERAGE SCHEDULE	ECP 04 546 05 08	05 08	Declaration New s/Schedule		0.00	ECP 04 546 05 08.pdf
Approved	EQUIPMENT BREAKDOWN COVERAGE	ECP 04 557 05 08	05 08	Policy/CoveNew rage Form		0.00	ECP 04 557 05 08.pdf

# EVEREST NATIONAL INSURANCE COMPANY

## EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages	Limits
*****	*****
Equipment Breakdown Limit	\$
Business Income	\$
Extra Expense	\$
Expediting Expenses	\$
Hazardous Substances	\$
Spoilage	\$
Data Restoration	\$
Service Interruption	\$

Deductibles	
*****	*****
Combined, All Coverages	\$
Direct Coverages	\$
Indirect Coverages	\$ or _____ hrs. or _____ times ADV
Spoilage	\$ or ____ % of loss, \$ ____ minimum

**Other Conditions**  
\*\*\*\*\*  
**The following examples are sample Other Conditions, and are provided for clarification purposes only. PLEASE REMOVE THESE EXAMPLES PRIOR TO PRINTING OR FILING THIS SCHEDULE:**

*"Covered equipment" does not include "Production Machinery".*

*Transformers with windings over 25 years old: valued at Actual Cash Value.*

# ***EVEREST NATIONAL INSURANCE COMPANY***

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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## **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS-- BASIC FORM  
CAUSES OF LOSS-- BROAD FORM  
CAUSES OF LOSS-- SPECIAL FORM

- A. The following is added as an Additional Coverage to the Causes of Loss— Basic Form, Broad Form or Special Form.

### **Additional Coverage-- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident.” As used in this Additional Coverage, “accident” means a fortuitous event that causes direct physical damage to “covered equipment.” The event must be one of the following:
  - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
  - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an “accident.” These coverages do not provide additional amounts of insurance.
  - a. **Expediting Expenses**  
With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
    - (1) make temporary repairs; and
    - (2) expedite permanent repairs or permanent replacement.

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The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a “hazardous substance.” This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no “hazardous substance” been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a Schedule.

c. Spoilage

(1) We will pay:

- (a) for physical damage to “perishable goods” due to spoilage;
- (b) for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost “data.”

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a Schedule.

e. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the

following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.

- (2) We will not pay for Business Income you sustain that results from the interruption of utility services during the first 24 hours following the “accident.” However, if a deductible is shown in a Schedule as provided for in paragraph B.1. below, or if the “period of restoration” begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.
- (3) The most we will pay in any “one accident” for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

f. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a Schedule, then as respects Equipment Breakdown coverage, the “period of restoration” will begin immediately after the “accident,” and the deductible shown in the Schedule will apply. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule.

3. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

a. The exclusions are modified as follows:

- (1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:  
Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident.”
- (2) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an “accident,” we will pay for the loss, damage or expense caused by that “accident.”

- b. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:
  - (1) any defect, programming error, programming limitation, computer virus, malicious code, loss of “data,” loss of access, loss of use, loss of functionality or other condition within or involving “data” or “media” of any kind. But if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident”;
  - (2) any of the following tests:  
a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (3) misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident.”
- c. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- d. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident”: Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is “perishable goods,” to the extent that spoilage is covered under Spoilage coverage.
- f. We will not pay under this endorsement for any loss or damage to animals, land or lawns.

#### 4. DEFINITIONS

The following definitions are added:

- a. “Boilers and vessels” means:
  - (1) Any boiler, including attached steam, condensate and feedwater piping; and
  - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

- b. “Covered equipment”
  - (1) “Covered equipment” means, unless otherwise specified in a Schedule, Covered Property:
    - (a) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
    - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
  - (2) None of the following is “covered equipment”:
    - (a) structure, foundation, cabinet, compartment or air supported structure or building;
    - (b) insulating or refractory material;
    - (c) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
    - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (e) “vehicle” or any equipment mounted on a “vehicle”;
    - (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
    - (g) dragline, excavation or construction equipment; or
    - (h) equipment manufactured by you for sale.
- c. “Data” means information or instructions stored in digital code capable of being processed by machinery.
- d. “Hazardous substance” means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- e. “Media” means material on which “data” is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- f. “One accident” means: If an initial “accident” causes other “accidents,” all will be considered “one accident.” All “accidents” that are the result of the same event will be considered “one accident.”
- g. “Perishable goods” means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- h. “Production machinery” means any machine or apparatus that processes or produces a product intended for eventual sale. However, “production machinery” does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
- i. “Vehicle” means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. “Vehicle” includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a

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covered location and that receives electrical power from an external power source will not be considered a “vehicle.”

- B. The Building and Personal Property Coverage Form is modified as follows.  
The definitions stated above also apply to section B. of this endorsement.

1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D.

DEDUCTIBLE is deleted and replaced with the following:

a. Deductibles for Each Coverage

- (1) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one accident.”
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one accident,” only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
- (2) Unless more specifically indicated in the Schedule:
  - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

- (1) Dollar Deductibles  
We will not pay for loss, damage or expense resulting from any “one accident” until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
- (2) Time Deductible  
If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the “accident.” If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

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- (3) Multiple of Average Daily Value (ADV)  
If a deductible is expressed as a number times ADV, that amount will be calculated as follows:  
The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no “accident” occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the “accident” or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the “period of restoration.”  
The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.
- (4) Percentage of Loss Deductibles  
If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

## 2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

### a. Suspension

Whenever “covered equipment” is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an “accident” to that “covered equipment.” This can be done by mailing or delivering a written notice of suspension to:

- (1) your last known address; or
- (2) the address where the “covered equipment” is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that “covered equipment.” If we suspend your insurance, you will get a pro rata refund of premium for that “covered equipment” for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

### b. Jurisdictional Inspections

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If any property that is “covered equipment” under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If “covered equipment” requires replacement due to an “accident,” we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

d. Coinsurance

If a coinsurance percentage is shown in a Schedule for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss.

Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

The most we will pay for loss, damage or expense under this endorsement arising from any “one accident” is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

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## Rate Information

Rate data does NOT apply to filing.

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## Supporting Document Schedules

<b>Satisfied -Name:</b>	Uniform Transmittal Document-Property & Casualty	<b>Review Status:</b>	Approved	06/25/2008
<b>Comments:</b>				
<b>Attachment:</b>				
Transmittal.pdf				
<b>Satisfied -Name:</b>	Explanatory Memorandum	<b>Review Status:</b>	Approved	06/25/2008
<b>Comments:</b>				
<b>Attachment:</b>				
Form Filing Memo.pdf				

## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>	Everest Re Group, Ltd.				<b>Group NAIC #</b>	1120
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>		
Everest National Insurance Company	DE	10120	22-2660372			

<b>5. Company Tracking Number</b>	AR-CP-20024222
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## Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
Vanessa King 477 Martinsville Road Liberty Corner, NJ 07938-0830	Manager	(908) 604-3267	(908) 604-3526	vanessa.king@everest re.com
<b>7. Signature of authorized filer</b>		Vanessa King		
<b>8. Please print name of authorized filer</b>		Vanessa King		

## Filing information (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	Other Liability			
<b>10. Sub-Type of Insurance (Sub-TOI)</b>				
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>				
<b>12. Company Program Title (Marketing title)</b>				
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
<b>14. Effective Date(s) Requested</b>	New:	08/01/2008	Renewal:	08/01/2008
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>16. Reference Organization (if applicable)</b>				
<b>17. Reference Organization # &amp; Title</b>				
<b>18. Company's Date of Filing</b>	6/24/2008			
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

## Property & Casualty Transmittal Document—

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AR-CP-20024222
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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We are submitting for approval a filing for Equipment Breakdown coverage.

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p><b>Check #: EFT</b> <b>Amount: \$50.00</b></p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**FORM FILING SCHEDULE**(This form must be provided **ONLY** when making a filing that includes forms)(Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AR-CP-20024222
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<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	
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<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Equipment Breakdown Coverage	ECP 04 557 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Equipment Breakdown Coverage Schedule	ECP 04 546 05 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

**FORM EXPLANATORY MEMORANDUM**

***EVEREST NATIONAL INSURANCE COMPANY***

**EQUIPMENT BREAKDOWN COVERAGE  
ECP 04 557 05 08**

**EQUIPMENT BREAKDOWN COVERAGE SCHEDULE  
ECP 04 546 05 08**

This Company is introducing a new Equipment Breakdown (Boiler and Machinery) endorsement and schedule. This company is a member of ISO, but these forms are being filed independently. Equipment Breakdown Coverage is an endorsement and will be used with the ISO Commercial Property forms.

Coverage

Coverage is provided for "accidents" to "covered equipment". "Accident" is defined in terms of the exclusions and limitations in the property forms in order to eliminate any potential gaps in coverage and to provide as seamless an approach as possible between the Property and the Equipment Breakdown coverages. Those exclusions and limitations, briefly, are:

- mechanical breakdown
- artificially generated electric current
- steam explosion
- other loss or damage to steam equipment and water heating equipment.

Other coverages provided include:

- Expediting Expenses
- Hazardous Substances
- Spoilage
- Data Restoration
- Service Interruption

In addition, any coverage provided under the Commercial Property Coverage Part for Business Income and Extra Expense extends to the Equipment Breakdown endorsement.

The limit for each of the above coverages, is \$25,000 unless otherwise shown in a Schedule, with the exception of Business Income, Extra Expense and Service Interruption. The limits for Business Income and Extra Expense are the limits shown in the Commercial Property Coverage Declarations for those coverages unless a different amount is shown in a Schedule. The limit for Service Interruption is the Business Income, Extra Expense or Spoilage limit.

### Deductible

The endorsement is designed so that either the property deductible or a separate deductible can apply. If a separate deductible applies it is shown in a Schedule and may be combined for all Equipment Breakdown coverage, or separate for Property Damage (Direct Coverage) and Business Income/Extra Expense (Indirect Coverages) respectively.

### Exclusions and Conditions

Typical Boiler and Machinery exclusions are included. Since this is an endorsement, the Loss Conditions and Additional Conditions in the Commercial Property Coverage Part will apply. In addition, a condition for Environmental, Safety & Efficiency Improvements is included. It covers the additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced, not to exceed 125% of what the cost would have been to replace with equipment of like kind and quality.

### Other Conditions

The Equipment Breakdown Coverage Schedule includes a section labeled "Other Conditions." This section is used to indicate optional information referenced in the Equipment Breakdown Coverage Endorsement. Other brief provisions specific to the individual risk can also be indicated under Other Conditions.